



Implementation of the Lisbon Objectives by the acceding and candidate countries

An evaluation of the state of lifelong education and training and lifelong learning strategies



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Introduction

The draft joint interim report by the Council and the Commission on the implementation of the 'Education and Training 2010' programme covers the 25 countries of Europe following enlargement on 1 May 2004 ('Education and Training 2010', 2004). In the preamble, this states that the involvement of the new countries and their experience of reforms is already contributing to the overall progress made by the European Union ⁽¹⁾. Furthermore, in evaluating the reforms undertaken and how far the results achieved meet the objectives of the programme, the report takes the view that there is a need to speed up the pace of reform. The document also points to differences between the initial situations of the various countries and the need for reforms to reflect the different situations and national priorities. It then reiterates the scale of the progress that the new countries must make towards developing a knowledge-based economy and society, and it stresses the need for them to play a full part in the work programme and to receive appropriate support in doing so ⁽²⁾.

However, it should be remembered where these countries are coming from, the extent to which, less than fifteen years ago, their economies and societies were confined by the straitjacket of the centrally-planned economy still imposed, and the limited range of courses and qualifications offered by their different education and training paths. It is also important to remember the scale of the demands made on their initial and continuing education and training systems from the

very beginnings of transition by individuals and employers, rapidly expanding small and medium-sized enterprises and foreign investors, although loan agencies and above all the European Commission gave them unstinting advice and funding, and launched a huge number of initiatives. At the same time, the rapid growth in unemployment and in inequality helped to create new needs against a background of more severe financial constraints.

The acceding and candidate countries have changed considerably since the fall of the Iron Curtain, and they are now fully involved in the European cooperation processes in the field of education and training which are working towards the Lisbon objectives that aim to make Europe the most competitive and dynamic knowledge-based economy in the world by 2010 (Presidency Conclusions of the Lisbon European Council, 2000; Conclusions of the Barcelona Council, 2002; Communication from the Commission - 'Education and Training 2010', 2003). There are therefore two driving forces behind the changes taking place in these countries: the first, which emerged in the early 1990s, was the need to adopt the standards of the market economy and the rule of law, reinforced by the enlargement strategy, and the second was launched by the Lisbon Council in 2000. It is apparent that the first has not yet produced all the intended effects, which explains the concern expressed in the draft interim report that future reforms should take account of the different situations in the various countries.

The article provides an overview of reforms carried out and of the state of the education and training system in the former acceding countries and the candidate countries. First, it reveals the considerable mismatch between the quantitative efficiency of the education systems and the lack of education and training provision for adults. It then considers the economic context and the unemployment situation, showing the extent to which matters associated with transforming the 'socialist' model of economic structures still adversely affect the updating of training systems. The third and fourth sections examine the stages by which education and training policies have been introduced since 1990, and the challenges that they face today, especially in the design of lifelong learning strategies.

⁽¹⁾ Paragraph 3 of the joint interim draft report of 12/02/2004.

⁽²⁾ Section 1 of the joint interim draft report of 12/02/2004.



	Upper sec. (°)	Drop-out from educ. (°)	Science students (°)	Readg level (°)	Lifelong education (°)	Public expend. educ. (°)	Expend. higher/ secondy(°)	Training enterpr. (°)	Higher ed. (°)
EU15	75.4	18.8	11.8	17.2	9.7	4.9	1.4	–	21.6
EU benchmark	85	10	–	–	12.5	–	–	–	–
Cyprus	86.9	14	13.1	–	7.9	5.6	1.4	–	26.8
Estonia	89.2	12.8	8.7	–	6.2	6.7	–	47	29.4
Hungary	87.2	12.3	4.6	22.7	6	4.5	2.4	24	14
Latvia	71.2	19.5	6.4	30.1	8.1	5.9	1.7	26	18.1
Lithuania	83.5	14.3	4.9	–	4.5	5.8	1.5	21	–
Malta	43	–	4.8	–	4.2	4.9	1.7	–	7
Poland	91	7.6	5.5	23.2	5	5.1	1.7	26	11.7
Czech Rep	93.4	5.4	14.6	17.5	5.4	4.4	1.7	61	11.6
Slovakia	94.6	5.6	7.7	–	4.8	4.2	2.6	–	10.7
Slovenia	88.1	4.8	5	–	15.1	5.6	–	33	14.1
AC10	90.1	8.4	–	–	–	–	–	–	–
Bulgaria	75.6	21	4.8	40.3	1.4	4.4	–	17	21.3
Romania	73.8	23.2	5.3	41.3	1.3	2.9	1.8	7	10
Turkey	–	–	10.4	–	1.1	3.5	–	–	–
ACC13	–	–	6.1	–	–	4.9	–	–	13.9

(°) The indicator shown gives the percentage of young people aged 22 years who had completed upper secondary education (the baccalauréat level in France) in 2002 (Commission Working Document and Eurostat Structural Indicators, May 2004).

(°) The rate of drop-out from education is measured by the percentage of young people aged 18 to 24 years who had only reached the level of lower secondary education and had not taken any education or training in the four weeks immediately preceding the date of the survey in 2003 (Eurostat Structural Indicators, May 2004).

(°) The figure for science is given here by the percentage of those aged 20-29 years studying science in higher education in 2001 (Eurostat, Statistics on Science and Technology, 2003).

(°) The reading level is given as the percentage of young people of 15 years of age reaching level 1 in reading performance on a five-level scale. These measures are taken from the PISA survey (Programme for International Student Assessment) conducted in 2000 by the OECD. To date, only the Czech Republic, Hungary, Poland and Latvia have taken part in the survey, in 2000, and more recently Romania and Bulgaria.

(°) The indicator for participation in lifelong education is given by the rate of participation in educational activities during the four weeks preceding the survey (Eurostat Labour Force Survey 2003 data, Eurostat Structural Indicators, May 2004).

We therefore need to ask ourselves how far these countries have got in achieving the European objectives for 2010, with particular reference to the objectives of expanding lifelong learning. But we should also ask whether the monitoring and evaluation tools introduced at the European level will produce a sufficiently sound analysis of the progress made and the difficulties encountered. An assessment should also be made of how these difficulties may hinder achievement of the objectives. Given that analysis of the strengths and weaknesses of education and training systems, and of the results already achieved, reveals a number of specific shortcomings and individual bottlenecks due to structural phenomena, questions also need to be asked about the corrective steps to be taken and the specific priorities to be observed in the European strategy for lifelong learning.

These are the questions to which this article seeks to find answers. First, the education and training systems of the acceding and candidate countries need to be assessed using the indicators and European benchmarks that have now been developed as part of the objectives process. Next, an attempt will be made to analyse the issues in greater depth, taking into account the situation and the main changes occurring in the economy, employment and the labour market, and then to review the principal education and training process reforms undertaken since the beginning of the transition. It will then be pos-

sible to express an opinion on the strategies being implemented, and the ways in which they need to be modified.

Assessment of the acceding and candidate countries against the five European benchmarks for education and training systems, the 29 indicators and some others

To complement the joint interim report, the European Commission published a working document based on a detailed analysis of the performance of European countries according to five European benchmarks and a set of 29 indicators for education and training worked out for a total of 30 countries: the countries of EU15, plus the acceding and candidate countries except Turkey, together with Iceland, Norway and Liechtenstein (Commission Working Document: Progress towards the common objectives in education and training, 2004).

The table below shows some of the most significant indicators drawn from these documents and from the reports produced by the European Training Foundation (Jean Raymond Masson, 2003; Jean-Raymond Masson, May 2004). The analyses which follow are based on all of these documents and a number of Eurostat publications, particularly on structural indicators. The results are given by reference to the 15 countries in the European Union before 1 May (EU15), and to the EU benchmarks. They also include, where



known, the averages of the 10 acceding countries (AC10) and the 13 acceding and candidate countries (ACC13), which include Romania, Bulgaria and Turkey.

A number of encouraging performances in the field of education

Some of the most discriminating indicators reveal superior performance in the acceding and candidate countries. For example, the rate of completion of secondary education at 22 years of age is over 90 % in the acceding countries but only 75.4 % in the EU15, while the benchmark for 2010 has been set at 85 %; similarly, the rate of drop-out from education ⁽¹²⁾ stands at 8.4 % among the acceding countries, well below the EU15 level of 18.8 % and even below the European benchmark of 12.5 %; or again foreign language learning in upper secondary education, where pupils in most of the acceding and candidate countries learn two languages as against an average of one and a half in the EU15.

Furthermore, some indicators show a great diversity within the acceding and candidate countries, while their average is close that of the EU15: this applies particularly to public expenditure on education measured as a percentage of GDP, which is markedly higher than the EU15 average in Cyprus and the Baltic States, and appreciably lower in Romania, Bulgaria, the Czech Republic and Slovakia; the same applies to private expenditure on education, which of all the European countries is highest in Cyprus at 1.2 % of GDP, and is also high in Latvia, at 0.8 %, while it is below the EU15 average of 0.6 % in the other countries, and especially low in Romania and Slovakia. It is also true for the rate of enrolment of 15-24 year-olds, which shows Poland, the Baltic States and Slovenia above the EU15 average and the other acceding and candidate countries considerably below.

Major shortcomings according to some of the 29 indicators, particularly in the fields of key skills and adult education

On the other hand, there is a long list of indicators showing an appreciably lower level of performance in the acceding and candidate countries than in the countries of the EU15. For example, the reading level of young people aged 15 years in the new

countries, with the exception of the Czech Republic, is well below that of the EU15, and the European benchmark; the proportion of students enrolled in mathematics, science and technology courses is generally lower, especially in respect of young women.

In all the acceding and candidate countries expenditure on education per student, measured in PPE euro ⁽¹³⁾, is around 40 % of the expenditure in the countries of the EU15 in higher education, a third in secondary education, and less than half in primary education ⁽¹⁴⁾. When compared with GDP per inhabitant, expenditure per student balances out. But the ratio of expenditure on higher education to that on secondary education is higher in all the candidate countries than it is in the European Union, where expenditure on the former is 37 % higher than on the latter. In other words, in the larger countries (the Czech Republic, Poland, Romania, Slovakia and Hungary), where public expenditure on education is appreciably below the European average, secondary education has been widely neglected, and initial technical and vocational education, which accounts for the largest proportion of students in secondary education, even more so.

The rate of participation in education and training among 25 to 64 year-olds varies considerably both among the acceding and candidate countries and between them and the EU15: with an average rate of 4.9 %, the acceding and candidate countries are below the EU15 average of 9.7 %, and well below the European benchmark of 12.5 %; and the less well-educated the reference population, the wider the gap: participation among the least skilled ⁽¹⁵⁾ is 0.7 %, compared with 2.3 % in the EU15.

Expenditure by enterprises on employee training, measured as a percentage of salary costs, is considerably lower in the acceding countries, where only the Czech Republic (1.9) and Estonia (1.8) stand out, while still remaining well below the EU15 average of 2.3. Consequently, the average number of working hours that enterprises devoted to training is significantly lower in the acceding and candidate countries: 4 per 1000, as against 7 per 1000 in the EU15. A detailed analysis of the results of the survey ⁽¹⁶⁾ reveals great inequalities in access to training, far higher than in the EU15. The enterpris-

⁽⁹⁾ Public expenditure on education is measured as a percentage of GDP in 2000 (Commission Working Document, Eurostat 2000).

⁽¹⁰⁾ The indicator measures the importance attached to higher education in relation to secondary education in public expenditure by comparing the unit cost per student in higher education with the unit cost per student in secondary education in 2000. (Data extracted from the Commission Working Document, Eurostat 2000).

⁽¹¹⁾ The indicator measures the percentage of enterprises with more than 10 employees pursuing training initiatives for their employees (CVTS2 Survey, Eurostat 2000-2001).

⁽¹²⁾ The indicator measures the percentage of 25-64 year-olds with training at higher education-level (ETF Report, Eurostat Labour Force Survey 2001) .

⁽¹³⁾ Measured as a percentage of 18-24 year-olds with a level of education below upper secondary and not pursuing any training course.

⁽¹⁴⁾ Purchasing Power Equivalent.

⁽¹⁵⁾ Only in Cyprus is expenditure comparable to the EU15 average.

⁽¹⁶⁾ Those who have a level of education lower than that attained at the end of upper secondary education (CITE 0 to 2).

⁽¹⁷⁾ This refers to the first survey of vocational education in the candidate countries carried out by Eurostat in 1999 in parallel to the second survey of vocational education in the EU countries (CVTS2) / Results published in 2002.



es providing training tend, for example, to be larger and to be in banking and finance rather than manufacturing and public services.

Lessons from other indicators

Although curiously absent from the list of 29 indicators monitoring the 2010 education and training objectives, a number of surveys and statistical observations permit more detailed evaluation of the situation in the acceding and candidate countries. While taken as a whole these results confirm the above analyses, they help to identify problems more clearly and highlight the forces at work in the education systems and the appalling lack of resources for labour market training.

According to PISA ⁽¹⁷⁾, the results for mathematical and scientific culture are better than those for reading. However, with the exception of the Czech Republic and Hungary for scientific culture, the results fall within the bottom half of the table and those of Romania, Bulgaria and Latvia are among the lowest.

The TIMSS survey ⁽¹⁸⁾ looks at performance in science and mathematics. Unlike PISA, which is concerned with the ability to put accumulated knowledge to good use, TIMSS provides information on academic knowledge. Some candidate countries obtain good results: Hungary, the Czech Republic, Slovakia and Slovenia, for example, are in the top half of all the European countries studied, and Hungary is in first place for science ⁽¹⁹⁾. Furthermore, the comparison between 1995 and 1999 shows that Latvia, Lithuania and Hungary have the best rates of progress of all OECD countries.

Similarly, the results of the PIRLS survey ⁽²⁰⁾ on the reading level of children aged 10 years are encouraging: among the 10 candidate countries studied, eight are above the international average, and Bulgaria, Latvia, Lithuania, Hungary and the Czech Republic are among the top-ranking countries.

According to a recent Eurostat study on higher education (Strack, 2003), figures for 2001 show a rate of participation by 20-29 year-olds in higher education of 25.5 % in the acceding and candidate countries, almost the same level as the European Union's 26 %. At the same time, the number of new graduates produced each year in the candidate coun-

tries now exceeds by far the number of graduates in the European Union: 55.3 per 1000 inhabitants aged 20-29 years in the candidate countries in 2001 as against 40.4 in the EU. However, the breakdown of students by discipline is very different. There are about half as many students studying science as there are in the European Union: 6.1 % of 20-29 year-olds compared with 11.8 %. Among the candidate countries, only the Czech Republic and Cyprus have higher rates than the European average, while Hungary, Malta, Slovenia and Lithuania are at 5 % or less. Continuing training for teachers is significantly less well developed in the acceding and candidate countries than in the EU. The level of qualification of the adult population is lower than that in the European Union, especially in quantitative terms in relation to the proportion with a higher education qualification, but more particularly in qualitative terms generally. According to the most recent Eurostat statistics, the candidate countries are at the level of the cohesion countries in respect of participation in continuing education and training, well below the European average, with Romania and Bulgaria at the level of Greece, around 1.5 %, and Malta, Poland and the Czech Republic at the level of Spain, around 5 % to 6 %; however, Cyprus and Latvia at 8 % and Slovenia at 15 % stand out from the rest. The situation is also problematic and very mixed in the case of training for employees offered by enterprises. And the most serious problem is the under-development of training for the labour market, especially for the unemployed, in most of the countries ⁽²¹⁾.

Initial conclusions

In total, looking at the five European benchmarks for 2010, it is found that the acceding countries ⁽²²⁾ paradoxically perform better than the EU15 countries, and even exceed the first (percentage of drop-out from the education system) and the third (completion of upper secondary education) benchmarks, although the reverse is true for the remaining three benchmarks (percentage of graduates in mathematics, science and technology; level of understanding in reading; participation in education and training by the adult population).

But if all the indicators available are considered together, it is possible to draw up an initial set of conclusions with regard to the acceding and candidate countries:

⁽¹⁷⁾ See above Note 9.

⁽¹⁸⁾ Third International Mathematics and Science Study, conducted in 1995 and 1999 among pupils in their 8th year of schooling. It covered all the candidate countries except Poland, Malta and Estonia.

⁽¹⁹⁾ On the other hand, Turkey, Romania and Cyprus are ranked among the lowest.

⁽²⁰⁾ PIRLS (Progress in International Reading Literacy Study) International Report, produced by the IEA (International Association for the Evaluation of Educational Achievement) in 2003 on the basis of a survey carried out in 35 countries in 2001.

⁽²¹⁾ There are wide differences between countries. Slovenia has already passed the European benchmark of 20 % of the unemployed undergoing training during the year, and Malta is close to this level, while Estonia and Hungary are at around the half-way mark and the Czech Republic and Poland are appreciably lower. If new entrants to labour market training are taken as a percentage of the active population, Hungary comes out better than Germany, although the rate of unemployment is higher there, while the Czech Republic and above all Poland have much lower results, particularly when compared with the countries in the Union with similar rates of unemployment.

⁽²²⁾ A distinction should be made here between acceding and candidate countries since Romania and Bulgaria perform much less well on these two points.



The table below contains data to which reference will be made below.

	Growth 2002 ⁽²³⁾	Exp. R&D ⁽²⁴⁾	Emp. ⁽²⁵⁾	Agr. emp. ⁽²⁶⁾	Ind. emp. ⁽²⁷⁾	Serv. emp. ⁽²⁸⁾	Older emp. ⁽²⁹⁾	Un-emp. ⁽³⁰⁾	Youth unemp. ⁽³¹⁾	Labour prod. ⁽³²⁾
EU15	1.1	1.98	64.3	4.1	25	71	40.1	8.0	15.1	100
EU benchmark	–	–	70	–	–	–	50	–	–	–
Cyprus	2.2	0.26	68.6	4.9	24	71.1	49.2	4.4	9.7	79.6
Estonia	5.8	0.78	62	6.9	31.2	62	51.6	10.1	17.7	43.4
Hungary	3.3	0.95	56.6	6.2	34.1	59.7	26.6	5.8	11.9	64.2
Latvia	6.1	0.44	60.4	15.1	25.3	59.6	41.7	10.5	24.6	38.7
Lithuania	5.9	0.69	59.9	16.5	27.2	56.3	41.6	12.7	21.4	43.6
Malta	1	–	54.6 ⁽²⁵⁾	1.5	28.4	70	–	7.7	5.9 ⁽²⁶⁾	90.1
Poland	1.3	0.68	51.5	19.3	33.8	52	50.9	19.3	41.7	50.3
Czech Rep	2	1.30	65.5	4.9	40.5	54.6	40.8	7.6	16.9	54.7
Slovakia	3.4	0.64	56.8	6.4	33.9	59.6	22.8	17.2	37.3	57.6
Slovenia	3.2	1.57	63.4	9.5	38	52.4	24.5	6.6	15.3	69.5
AC av.	–	0.83	–	–	–	–	–	–	–	53.6
Bulgaria	4.8	0.47	50.6	9.7	32.7	57.6	27	13.8	35.5	32.3
Romania	4.9	0.39	57.6	35.2	30.7	34.1	37.3	6.5	18.5	34.4
Turkey	7.8	0.64 ⁽²⁵⁾	–	–	–	–	–	9.0	–	35.8

❑ Considerable differences exist between them, with Romania and Bulgaria in particular generally performing less well than the acceding countries and Union Member States.

❑ Education systems in the acceding countries are effective in quantitative terms and capable of providing schooling for the vast majority and preventing drop-out, but are largely academically based and still poorly prepared for the knowledge-based economy and society from the point of view of learning of key skills, even though positive changes are taking place in the countries investing most heavily in education.

❑ Higher education systems have expanded very rapidly but are still unable to give enough coverage to mathematics, science and technology.

❑ Investment in education is inadequate overall in most countries and shows a bias towards higher education to the detriment of secondary education and especially technical and vocational education, and teacher training.

❑ Systems of continuing education and training are under developed, are very unequal, depending on the size of enterprises, sectors of activity and level of education of the individual, and are therefore ill-equipped to remedy the lack of skills among the population as a whole.

❑ There is a particularly serious shortage of training for the labour market.

❑ Investment in training by enterprises is inadequate.

❑ And overall, a very marked imbalance between education and adult training systems.

Taking a broader and deeper view

For a better understanding of the significance of this paradox of the good performance reported above in the field of education and the poorer indicators in relation to adult education and training, we need to take the analysis further and take a broader and more indepth look at the situation. This is made possible by the work of the European Training Foundation already mentioned above. The reports by the Foundation are based on analysis of the changes that have taken place since the fall of the Iron Curtain; they examine the main economic and employment data and the most recent trends; they chart European cooperation with candidate countries as it developed throughout the 1990s up until their accession; they analyse the changes that have occurred in the fields of education and training, and in employment services; they recall the reforms undertaken and analyse the obstacles to their implementation; and they bring up to date in particular the questions relating to the governance and funding of systems.

⁽²³⁾ Rate of growth of GDP as a percentage (Employment Report 2003).

⁽²⁴⁾ Total expenditure (public and private) on research and development as a percentage of GDP in 2001 (Eurostat, May 2004).

⁽²⁵⁾ Rate of employment in 2002 (Employment Report 2003).

⁽²⁶⁾ Rate of employment in agriculture; data are for 2002 except for Bulgaria, Cyprus, the Czech Republic, Latvia and Lithuania, where data are for 2001, and Malta, where they are for 2000 (Employment Report 2003).

⁽²⁷⁾ Rate of employment in industry; see the comments in Note 47.

⁽²⁸⁾ Rate of employment in services; see the comments in Notes 47 and 48.

⁽²⁹⁾ Rate of employment of persons aged 55 to 64 years in 2002 (Employment Report 2003).

⁽³⁰⁾ Rate of unemployment in 2003 (Eurostat Structural Indicators, May 2004).

⁽³¹⁾ Rate of unemployment among young people from 15 to 24 years of age (Employment Report 2003).

⁽³²⁾ Productivity of labour force by person employed: GDP in Purchasing Power Equivalents by person employed (relative to EU15 = 100 in 2003 (Eurostat Structural Indicators, May 2004).

⁽³³⁾ 2002 data.

⁽³⁴⁾ 2000 data.

⁽³⁵⁾ 2000 data.



Upheavals in the economic landscape ⁽³⁶⁾

The economy of the acceding and candidate countries is now based on a network of micro-enterprises. The network is more extensive than in the European Union, but is comprised of smaller micro-enterprises. The small-scale privatisation of the early 1990s and the influx of foreign, chiefly European, investment, although varying greatly from country to country, contributed to the rapid development of services and the swift creation and of a vast network of SMEs. In 1999, micro-enterprises (with fewer than 10 employees) represented 95.4 % of all enterprises in the candidate countries, compared with 93.1 % in the EU ⁽³⁷⁾ and provided 40.2 % of jobs compared with 34.2 %, and the average size of an enterprise was 5 in the candidate countries compared with 6 in the EU (Observatory of European SMEs, 2002). Nonetheless, the candidate countries do not always have the type of advanced service sector common in the EU. Very few SMEs are heavily engaged in manufacturing activities involving investment in new capital and new technologies. The few SMEs which operate in manufacturing are much smaller and less experienced than those in the EU.

Furthermore, not everything has happened as fast; in particular large-scale privatisation, and even more so, industrial restructuring have been far slower and are far from complete. In a number of sectors that were heavily integrated within COMECON, such as armaments, major enterprises were closed down or broken up in the early or mid-1990s. But many continued to benefit from protectionist measures. The restructuring of the Polish steel industry did not really begin until the early 2000s, and the programme of restructuring and privatising the large Romanian heavy industrial combines began only in 2002. In addition, the measures taken in the early 1990s to privatise agricultural land usually created a large number of small properties that were not large enough to undertake the necessary modernisation.

As for economic growth, after a severe slump in the early years of transition in most countries, there was a general recovery in the early 1990s, followed by a further slow-down and even a downturn in the second half of the decade, with the exception of Cyprus, Malta, Hungary, Slovenia and Poland, where the economic crisis did not make its ef-

fects on growth felt until 2001. Since 2000, despite some slowing ⁽³⁸⁾, most countries have maintained a high level of growth: over 4 % in 8 countries in 2000, 5 countries in 2001 and 6 countries in 2002 ⁽³⁹⁾. While five of the 13 countries had economic higher growth than the EU in 1999, this figure rose to 10 in 2000 and 2001, and to 12 in 2002.

According to a study on the state of the economy in candidate countries (Boillot, 2003), the amount of direct foreign investment (DFI) in the candidate countries rose considerably throughout the 1990s and is still increasing. The author suggests that they are attractive not so much on account of the level of wages and salaries as the level of the human capital. Of all the candidate countries, Poland has been the largest recipient, followed by the Czech Republic and Hungary. What is more, the international attractiveness of the candidate countries is increasing year by year ⁽⁴⁰⁾.

In return, this DFI will probably lead to increased productivity, improved skills and the expansion of vocational training. But this presupposes an active support and dissemination policy in all sectors of the economy, without which improvements will remain isolated and will contribute to growing inequality (Fragoulis, Masson, Klenha, 2004). Productivity is already very uneven between regions and sectors, and even within sectors between those enterprises which have received DFI and those which have not. There is also great inequality between countries, and productivity in all countries remains below the European average. In total, these inequalities in economic development help to maintain or worsen disparities between countries in terms of access to employment and training, and exclusion.

An examination of investment in research and development completes this brief review of the economy. While the European Union spent 1.98 % of GDP on R&D in 2001, the 10 acceding countries spent an average of 0.83 %, and only the Czech Republic (1.30 %) and Slovenia (1.57 %) exceeded 1 %. Furthermore, in the EU 56 % of the investment was made by enterprises, as against 41 % in the candidate countries, where research investment depends largely on the state.

⁽³⁶⁾ Cyprus and Malta cannot be regarded as countries in transition between two different economic systems, any more than Turkey. For that reason, most of the following remarks apply more particularly to the 10 countries of Central and Eastern Europe.

⁽³⁷⁾ This means that there are one-third fewer enterprises with more than 10 employees in the candidate countries than in the EU15.

⁽³⁸⁾ With the exception of Lithuania, Romania and Slovakia. The slow-down was particularly noticeable in Cyprus (5.2 in 2000, 4.1 in 2001 and 2.2 in 2002), the Czech Republic (3.3, 3.1, 2), Hungary (5.2, 3.8, 3.3), Poland (4, 1, 1.3) and Slovenia (4.6, 2.9, 3.2).

⁽³⁹⁾ Bulgaria, Estonia, Latvia, Lithuania, Romania and Turkey.

⁽⁴⁰⁾ According to the study, 'four groups may be distinguished:

- Two economies, Hungary and Slovenia, at the stage of convergence towards the level of DFI of Spain and Portugal. The question is whether these two countries will stop there or will follow the pattern of the highly specialised small economies such as Finland and Sweden.

- Two very attractive and dynamic economies, the Czech Republic and Estonia, which have recently received twice as much DFI as their weight in the world. Malta is rapidly catching up with this process. It can be deduced from this that the flow of DFI to these countries may well rise significantly in the years to come.

- A group comprising Poland, Bulgaria, Latvia and Lithuania, which is around the average for the region, and below their world economic weight. They might be termed countries with a strong short-term potential if their economies continue to open up.

- A last group below their notional potential with two different trajectories: those taking off, such as Slovakia, and those still failing to catch up in line with their potential, such as Romania.'



Difficulties in the fields of employment and the labour market

For a long time, the growth observed has not led to the creation of jobs. On the contrary, employment has fallen heavily in most countries since the mid-1990s. Under the combined impact of continuing economic growth, demographic decline and the development of employment policies based largely on early retirement and employment subsidies, this fall appears to have been halted from 2000/2001, and an examination of the situation suggests stabilisation and even an improvement in some countries, with the notable exception of Poland and Romania. Nonetheless, rates of employment in 2002 were often below those achieved in 1998, and more particularly below the EU average (64 %), except in the case of Cyprus and the Czech Republic, and far below the European benchmark for 2010 (70 %). The slight improvement since 2000 has been of particular benefit to the older population. On the other hand, the rate of youth employment remains fearfully low, well below the European average, and the trend is still downwards in almost all countries.

Changes in the breakdown of jobs between sectors have been rapid, but seem to have slowed in the last few years. The fall in agricultural employment continues, but at a far slower pace than before 2000. It nonetheless remains well above the European level in Slovenia, the Baltic States and Poland, and above all in Romania, where it was still around 40 % in 2002 and provides an alternative for victims of industrial restructuring ⁽⁴¹⁾. Industrial employment also suffered an appreciable decline, but has now been very stable since 1999/2000 in almost all countries, and in most cases above the European average of 25 %, particularly in Hungary, Slovakia, Slovenia and the Czech Republic, where it is 35 % or more. Hence, employment in services, having risen very rapidly in the early years of transition, is growing only very slowly, far short of the level in the European Union, except in Cyprus, and still further from the European objectives for 2010. All this points to a considerable lack of labour mobility, and to the inability of education and training systems to respond to the needs of the labour market. Furthermore, a comparative analysis of working conditions shows that, on average, the candidate countries endure longer working hours, poorer conditions and more Tay-

lorist work organisation than in the European Union (European Foundation for the Improvement of Living and Working Conditions, 2002).

The unemployment situation is still very worrying in most countries, but the most recent statistics suggest some improvement as unemployment continues to fall in Cyprus, Hungary, Latvia and Slovenia, while it has been falling since 2000/2001 in Bulgaria, the Czech Republic, Estonia, Lithuania and Slovakia, and has even started to fall since 2002 in Poland, Romania and Turkey. It nonetheless remains at very high levels in Poland and Slovakia, and is above the European average in 7 of the 13 countries. This improvement is particularly helping the long-term unemployed, and to a lesser extent younger people, among whom unemployment remains higher than the European average, except in Cyprus and Hungary. However, it is rising appreciably in Romania, Poland and Latvia.

As the Eurostat publication cited above suggests (Strack, 2003), completion of upper secondary education significantly reduces the risk of unemployment, particularly in the candidate countries. While unemployment rates for those who have completed upper secondary education are similar in the EU and candidate countries, for those who have not done, so the rate is double in the candidate countries. In 2001, the differential in the unemployment rate between those with intermediate qualifications ⁽⁴²⁾ and the better qualified ⁽⁴³⁾ among 15-39 year-olds was 50 % in the EU but 80 % in Romania and Estonia, 120 % in Bulgaria, the Czech Republic, Lithuania and Slovenia, 160 % in Poland, 190 % in Slovakia and 340 % in Hungary.

When transition began, employment policies were at first aimed at limiting growth in unemployment by adopting protectionist measures covering larger enterprises, and by expanding early retirement schemes. An attempt was also made to treat the question of unemployment by means of general systems of compensation, while public employment services were set up, chiefly to collect social security contributions and distribute benefits. At the same time, largely in the capital cities, large numbers of private offices were opened, principally to recruit senior local staff to work for foreign investors, and to help to train managers.

⁽⁴¹⁾ This is demonstrated particularly by the rise in agricultural employment from 40 % in 1997 to 45 % in 2000 in Romania while at the same time industrial employment fell from 30 % to 26 %. A similar development, although on a smaller scale, has been happening over the last three years in Poland.

⁽⁴²⁾ CITE Level 3, corresponding to completion of secondary education.

⁽⁴³⁾ At the level of higher education.



The generous policies of the early 1990s had to change abruptly when most countries were confronted with mass unemployment in the second half of the decade. Compensation schemes became far less active, and the public employment services had to take on a whole range of new tasks to provide individuals and enterprises with advice and support, for which they lacked the staff, training and equipment. Furthermore, the resources they had were still limited, while unemployment became worse. Overall, active labour market measures remain very poorly resourced and are largely devoted to job subsidies, chiefly through the direct creation of public employment with local authorities. Hence, the amount spent on training for the unemployed is extremely low in almost all countries ⁽⁴⁴⁾. Moreover, only Hungary has succeeded in devoting some of its training schemes to preventative measures.

The economic roots of the difficulties of the education and training systems

From this review of the economic and employment situation, it is apparent that transition is far from complete. While the market economy principles of the European Community, and its institutional foundations, are respected, at least in the 10 acceding countries, the economies of most of these countries still reveal considerable shortcomings by comparison with the EU15, in terms of both competitiveness and economic and social cohesion. Considerable changes have taken place, but the network of small enterprises is still very fragile and incapable of contributing significantly to the innovation and research effort required under the Lisbon Strategy, while the slow pace and difficulties of industrial and agricultural restructuring are worsening the imbalance between regions and social cohesion.

The Lisbon objectives for jobs and unemployment and R&D seem even further off than those set for education. This reflects and goes some way to explaining the comments already made about the imbalance between education and adult education and training. It is also clear how the difficulties and achievements identified above in the field of education and training have their roots in structural phenomena. And it is clearer how these shortcomings hinder economic development and social cohesion. Shortcomings are to be found both among enterprises and employ-

ment services in the provision of the necessary training and retraining. However, serious mismatches are also emerging between the qualifications produced by the intermediate level of the education system and the needs of the labour market. The rates of unemployment among young people are extremely worrying in most countries, especially among those without higher education qualifications, even though rapid expansion of access to higher education and demographic decline are reducing the numbers leaving education at this level.

The creation of jobs in services and developing industries has benefited essentially those with higher education qualifications, especially the large numbers of young people completing higher education courses in management, tourism, information technology and foreign languages. But there is a danger that this process will reach its limits if secondary and higher education cannot succeed in further developing intermediate and higher-level qualifications in science and technology, which investors (both domestic and foreign) now need so that they can increase their competitiveness and prepare for the knowledge-based society.

It is obvious at the same time that the cumbersome nature of the former economic system, in which vocational training and the economy were organically linked, still affects the education and training system. It comes as no surprise to find that some vocational schools have difficulty in evolving, given that they were situated right next door to the industrial dinosaurs for which they provided whole cohorts of workers each year, and that limited public funding has prevented them from undertaking the necessary modernisation. As the Foundation report suggests (Masson, 2003), this situation long persisted in many schools before more rapid industrial restructuring brought about an abrupt change, putting a stop to young people going straight into work at the end of technical or vocational secondary education. At the same time, the training establishments located close to enterprises that have benefited from DFI have been able to modernise thanks to the knock-on effect from this investment.

Today, the slowdown in growth and slower expansion of employment in services are sounding a warning bell for vocational education and training systems: they need to

⁽⁴⁴⁾ Funding is appreciably lower than in the countries of the European Union with a comparable or lower rate of unemployment. Hungary and Slovenia, for example, spend half as much as Portugal, Lithuania and Estonia 5 times less than Greece, Slovakia and Poland over 10 times less than Spain, and the Czech Republic 15 to 20 times less than Germany or France on labour market training as a percentage of GDP. At the individual level, expenditure per unemployed person ranges from a ratio of 1 in Poland and Slovakia to 3 in Estonia, 5 in Lithuania and the Czech Republic, 15 in Malta, 23 in Slovenia and 25 in Hungary, compared with 26 in Spain, 38 in Greece and 73 in Portugal.



change faster and to play a far more active, even pro-active, role in developing all aspects of human capital, especially by developing skills within enterprises and in the labour market.

Education and training policy

Construction of a legislative framework in stages

At first there were several driving forces behind change: (1) the desire of governments to adapt economic and social systems to the constraints of the market economy and the rule of law, and to prepare as fast as possible for European integration; (2) a huge appetite for education among large sections of the population, set free by the collapse of the previous system in which educational activities did not lead to social advancement or better pay, which naturally had an effect on the various branches of general education and still more on higher education; (3) European assistance, particularly through the Phare programme, which focused until 1998 on requests from countries before turning towards the priorities of accession.

In general, there were three successive stages to reform, marked principally by legislative action, the pace of which varied from country to country. At first, priority was given to 'de-ideologising' subject-matter, to university autonomy and to greater freedom to teach in the private and Church sector. With the obvious exception of Cyprus and Malta, but also of Hungary and Slovenia, where economic reform had begun in the 1980s and some education and training initiatives had already been launched, the new leaders of Central and Eastern European countries did not have a clear idea about the reforms to be undertaken in the area of education and training, apart from the need for a vigorous expansion of higher education. However, in the case of vocational education and training, they needed to respond to the collapse of the organic links (particularly in terms of funding) between schools and enterprises. In the event, vocational education became more school-based and more theoretical (Nielsen, 2003).

The second stage, which began any time between 1993 in Hungary and 2001 in Poland, covered laws on initial vocational education in the formal system, in the context of overall restructuring of secondary edu-

cation aimed in general at prolonging the period of study, postponing the age of specialisation, opening up pathways, providing bridges into higher education for more people, and implementing new curricula suited to the needs of the market and society. These reforms also helped to diversify higher education courses, including the development of vocational higher education provision. On the basis of the growing demand for education, the reforms also led to significant changes in the balance between types of upper secondary education: in most countries, technical and vocational paths as a whole lost students to general courses, and within the technical and vocational block, so-called technical or secondary vocational courses ⁽⁴⁵⁾ expanded rapidly, to the detriment of so-called vocational or apprenticeship courses, in which numbers fell considerably (Czesana, 2004 and Svetlik, 2004).

Reforms in adult continuing education and training were the subject of the third stage aimed chiefly at regulating already widely diversified training provision, and at introducing national systems of qualifications, suitable accreditation and certification mechanisms, and the first steps towards validating non-formal and informal learning. This stage began in 1996 in Slovenia, and is still in its infancy. It now forms part of wider reforms aimed at lifelong learning.

The problems in implementing systemic reform of vocational education and training

The first thing to note is the inadequate analysis of the needs of the labour market and of future skills requirements. This may be explained in part by the as yet unstable nature of changes in employment in most countries. Nonetheless, investment in research into vocational education and training, having been cut back considerably at the beginning of transition (Nielsen, 2003) is still relatively inadequate, analysis seldom going beyond the examination of employment of-fice statistics.

It is against this background that the reform of vocational education and training curricula has been undertaken in all countries as a major priority in order to respond to new training needs. It has generally been underpinned by assistance from the European Union under the Phare programme

⁽⁴⁵⁾ Leading to a qualification at CITE Level 3 and to a certificate of completion of secondary education granting access to higher education.



and by the initiatives of a number of loan agencies offering their expertise to institutions that have become more independent. The result has been a wide variety of approaches which each country is now trying to systematise, largely by introducing national benchmarks which leave a degree of autonomy at the local level.

This policy is under way, but is progressing slowly. In Slovenia, where the reforms have been among the most far-reaching, it was believed in 2002 that these new curricula had only been adopted in 30 % of cases. Their general adoption suffers from lack of a support policy, absence of appropriate institutional back-up and insufficient relevant resources in terms of teacher training, teaching methods and technical facilities, and pilot schools have often remained isolated. The proliferation of new curricula and their coexistence with older versions, the expansion of new training paths in some schools, also in parallel with former operational structures that are still functioning in other schools, and the growing number of public and private training centres, have created a situation in which transparency of qualifications is becoming an urgent requirement, both for the groups receiving training and for employers, and is a major concern for governments. Awareness of this problem is obstructed, however, by poor mobility among workers.

This policy was at first confined to approaches governed by the needs of the formal education system, but it now tends to be based on the implementation of national systems of vocational qualifications in order to respond to the need to regulate the development of vocational training in the non-formal sector, and in particular labour market training. The work required is very complex, however, and some countries are experiencing difficulties in mobilising the necessary resources. Furthermore, it suffers from the difficulties of interministerial coordination and the weaknesses of the social partnership. Nonetheless it is increasingly necessary in countries seeking to implement recognition and validation of non-formal and informal vocational skills, particularly in order to deal with the problems of training the adult population and the long-term unemployed. Most countries have therefore adopted this approach, but have usually kept it separate from formal learning and learning on the job ⁽⁴⁶⁾. The benchmarks for certifi-

cation remain those of the formal education system, and it is to be feared that before long this will not be sufficient to deal with the huge problems of social exclusion among disadvantaged sections of the population such as the long-term unemployed and ethnic minorities, or to contribute to the development of skills and qualifications in the workplace.

The quality of training courses has become a major concern of the competent ministries. The trend is to put in place procedures for registration and accreditation with national commissions under the control of the Ministry of Education. These procedures are aimed both at the centres themselves and at the training that they provide. They were first introduced to regulate private higher education establishments, but are now being developed for all establishments offering labour market training. However, the control operations involved are often perceived as nit-picking and bureaucratic. Advice and guidance are usually provided within the school system, but with a bias towards educational psychology, which scarcely helps to develop vocational training. These functions are also exercised within employment offices, but their activities are too restricted, given the needs, because of inadequate resources, especially training for the relevant staff. In addition, cooperation between the two systems is far from optimal and suffers from inadequate involvement of the social partners.

Governance and partnership

In the late 1990s, as part of preparations for the Structural Funds policy, the largest countries embarked on a process of decentralising their education systems, and sometimes also their employment services. In countries where the process is furthest advanced (Poland and the Czech Republic) or is proceeding gradually (Hungary and Slovakia), the situation is frequently complex: for historical reasons, the level chosen to exercise these responsibilities is most often the district (or county), while preparation for the Structural Funds subsequently required the establishment of regional bodies at a higher level. All this has led to some fragmentation of responsibilities and to problems of coordination both between the districts themselves, and with the regional 'programme' level and central government. There are also difficulties in coordinating the employ-

⁽⁴⁶⁾ According to Haralabos Fragoulis, only Estonia has begun to introduce an integrated system covering all forms of learning, while Romania and Slovenia are developing two parallel systems, Hungary has concentrated on the formal system and the other countries are at the experimental stage. (International Seminar on the Validation of Non-formal and Informal Learning, Vilnius 2004).



ment and education services because the authorities responsible for them have not always been set up at the same level.

Overall, in initial training, responsibility for the core content of courses, registration and accreditation of training establishments, and the budget have remained at central level. In the countries which have decentralised, responsibility for planning, enrolment and allocation of resources has been conferred on elected local authorities. Lastly, in almost all countries schools themselves have acquired responsibility for the recruitment of teachers and the possibility of developing specific courses that complement the curricula laid down centrally. The involvement of enterprises in these matters remains marginal.

On the other hand, continuing training is largely governed by the market, tempered by accreditation and quality assurance mechanisms at the national level, and by the role played by the decentralised structures of the public employment service in respect of labour market training.

Because this has all been happening so recently, it is of course too early to form a judgment on how well these decentralised structures are working. The arrangements have already increased awareness and brought in new players at the local and regional level, which should encourage a better match between resources and regional needs, and should eventually make it possible to take over from or to complement central government's responsibility for funding education and training, particularly technical equipment in vocational upper secondary schools. But we may also ask ourselves whether the systems established will be able to eliminate, rather than exacerbate, the regional disparities that are already very marked.

Furthermore, coordination between ministries remains inadequate and problematic in the field of education and training. It should be remembered that under the socialist system, ministries had no more than management powers, and that these powers were split between a series of 'technical' ministries which 'looked after' a given sector of the economy and the education and training matters relating to that sector, in particular the relevant schools and colleges. This situation was quickly resolved

in most countries, but it lasted until the late 1990s in a few. It has certainly contributed to the difficulties found today, especially the rivalry frequently observed between the Ministry of Education and the Ministry of Labour over questions relating to continuing education and training, the competition between public training networks, and the difficulty of working out global strategies for the development of lifelong learning.

In all countries the involvement of the social partners has been regarded as a key factor in changing and expanding vocational education and training systems. The legislation mentioned above has, for example, given them a role in defining the main lines of training policy, and in the practical implementation of qualification and certification systems.

In reality, their involvement is far from having much effect on policy development. It must of course be realised that the need to play a real role in the field of economic and social policy constituted a genuine 'cultural revolution' for the trade unions, which had been used as Party tools until 1989. The same applies to entrepreneurs, who took a long time to make use of Chambers of Commerce in order to pool their views, and are now learning about their collective autonomous responsibility through very fragmented occupational associations. This being the case, the State tends to exercise a dominant role, not engaging in genuine consultation, and the representatives of the unions often complain that their points of view are not taken into consideration.

However, the involvement of the social partners, particularly employers, is more effective in the occupational commissions entrusted with the task of preparing the new benchmarks, and in the examination boards for vocational training diplomas. In schools, the involvement of the social partners also depends on the willingness of the heads, the teachers and employers. It is clear that the organic links that applied in the former system have not yet been replaced by the new cooperation procedures found in most countries of the European Union. This lack of cooperation has a particularly detrimental affect on the quality and relevance of the education and training provided in vocational education establishments.



The issue of resources

In addition to the remark made above about the limited public and private funding for education, particularly adult education, it should be said that resources do not appear to be spent in the most effective way. Educational institutions are small, and they are far from evenly distributed throughout the country, especially adult education establishments; similarly, there is often a high proportion of administrators among education staff. For this reason, improvement schemes have been introduced in most countries, encouraged by the demographic downturn but sometimes held back by decentralisation, although this may eventually be a help thanks to more refined analysis of local development needs.

In most countries, particularly Romania and Bulgaria, the technical equipment situation is critical in many establishments providing technical and vocational education (especially industrial courses). Despite the allocation of significant resources to pilot schools selected to try out the new curricula under the Phare programme or other international cooperation schemes, these establishments remain isolated; the spread of good practice has been hampered by lack of resources. Together with the lack of cooperation between schools and enterprises, this has compromised the quality of the new curricula and devalued yet further the teaching that was widely seen as being closely linked with the former economic system (Svetlik, 2004). In order to mitigate this lack of resources, some countries have encouraged schools to sell products made in their workshops. Other countries have introduced an obligation on schools - which have become 'contributing' establishments - to transfer the proceeds from these sales to the State. However, these procedures carry the risk of undermining the quality of teaching even further, of demotivating schools, and in particular of discouraging them from entering the adult education market. At the same time, some countries are attempting to re-establish modernised apprenticeships along the lines of the dual system, but are coming up against the reluctance of enterprises to play their part in the necessary financial investment.

As for information and communication technologies (ICT), these are spreading more rapidly in the education system, but at levels that are still lower than in the EU15. Th-

ese developments usually result from ministerial initiatives, and sometimes from encouragement given by government, as in Estonia, or by other specialist ICT authorities (Ministries of Telecommunications or Information Technology) and rely on cooperation with the private sector. But suitable software has yet to be developed, and teachers trained, although most countries are addressing these tasks within their limited resources. Resistance to change also has to be overcome among many teachers and senior administrators. Internet access is also expanding rapidly, but is sometimes hindered by the poor quality of the telecommunication infrastructure.

The issue of teachers

Teachers have generally lost out as a result of the changes that have taken place since 1990, as have the resources devoted to their training. With the exception of Cyprus, Malta and Turkey, and Hungary and Slovenia, where they have recently been upgraded, teachers' salaries are well below those found within the Union and are frequently below national averages. The profession is currently largely dominated by women, to a degree that is generally greater than the European average. There would not appear to be a danger of a shortage of teachers in the immediate future, even though it is an ageing profession as in the European Union. Training does pose a problem, however, particularly in technical and vocational education, where a large proportion of 'technical' teachers is regarded as unqualified. The others have received university training, but it would appear that these are still too frequently offering 'academic' teaching that is out of touch with developments in the economy and is unsuited to preparation for new learner-centred teaching methods using new technologies. Furthermore, continuing training is still poorly developed, for want of resources and specialised support institutions.

Problems in preparing lifelong learning strategies

Acceding and candidate countries are now completely integrated into European education and training policies. They played a full part, for example, in the process of consultation on the Memorandum on Lifelong Learning in 2001 and were each required to produce a report on progress made in this field in 2003 ⁽⁴⁷⁾. These progress reports are

⁽⁴⁷⁾ Following the Council Resolution adopted in 2002 on lifelong education and training.



structured according to the strategic priorities laid down in the Commission Communication.

The results are illuminating. Two years after the end of the consultation on the EC Memorandum on Lifelong Learning in 2001, the situation had not radically changed in the acceding and candidate countries. However, there are moves afoot. A number of major steps have been taken, and national strategies are being drawn up in most countries. But the actions taken reflect the persistent imbalance between the formal and non-formal/informal elements of lifelong learning systems, and are too recent to permit evaluation.

There is still insufficient coordination between ministries. The social partners are still not involved in defining and implementing strategies, despite the establishment of numerous consultative committees and tripartite commissions.

Activities are particularly lively in the field of information and communication technologies (ICT), especially through public-private partnerships, and the expansion of local and regional learning centres designed to bring learning closer to people's homes. A large number of initiatives, for example, aim to improve access to education in rural areas and for groups that are disadvantaged or at risk, and to expand 'second chance education' for young people who left school with no qualifications.

On the other hand, there are few signs of support for learning in the workplace through appropriate incentive schemes or initiatives to encourage private investment in training. It is rare to see the appearance of new funding mechanisms, and there are very few examples of funds being retargeted towards these priorities. Greater attention is being given to teacher training, but the major questions associated with improving the standing of the teaching profession are only being addressed in a small number of countries. Lastly, the quality of vocational learning and training remains a major worry, especially in the three candidate countries, even though many initiatives launched with European assistance are aimed at providing better equipment, improving infrastructures and introducing evaluation and quality assurance mechanisms.

This confirms the analyses of the previous chapters. There is still a huge imbalance between the importance that the education system attaches to general and higher education on the one hand, and to vocational education and training on the other, and also between the initiatives taken in the formal education system on the one hand and the development of skills in the workplace and among sections of the population at risk of exclusion on the other. These imbalances are likely to increase further because the social partners find it difficult to intervene in these questions and enterprises are still unable to take the necessary action.

There are also question marks over the limits to the strategies drawn up because action remains compartmentalised between education and training, while primary responsibility lies with ministries of education. It would no doubt be good to find ways of working together more closely, and even to assign strategic responsibility to the prime ministerial level, in close association with the other elements of the Lisbon Strategies, in particular with the components concerned with employment, research and competitiveness.

Conclusions

The situation in the acceding and candidate countries today is very mixed to judge by the criteria laid down for assessing progress towards the Lisbon objectives for education and training. Continued reform effort and heavy investment in human capital have enabled some countries to achieve encouraging results in some fields. The sharp increase in the number of students entering higher education has helped the expansion of employment in services and the rapid increase in direct foreign investment. But overall, education and training systems have largely been reactive, and are still ill-equipped to play an active role in future changes in the economy and employment. Vocational education and training, which depended heavily on the economic structures of the socialist system and which are the victims of the present-day rejection of that system, have remained the poor relations in the changes that have occurred. In all countries, there is still a considerable lack of adult education and training, which is contributing to inequality and seriously affecting social cohesion.



Economic growth is now at a high level in most countries, at a time when ten of them, however, recently joined the European Union on 1 May 2004. There are a number of indications that the pace of change in education and training systems needs to be appreciably faster, and in particular that considerable effort needs to be put into retraining adults in enterprises and for the labour market. Current initiatives being carried out, and the strategies drawn up to meet the Lisbon objectives and to prepare for the knowledge-based economy and society, are not up to the task. They remain too focused on the supply side and the pre-eminence of the formal education system. Attention should be given to all the messages and priorities contained in the Communication on lifelong education and training, with particular regard to the systemic aspects of this framework for action and to the overriding need for partnership, to the priority to be accorded to the individual, to non-formal and informal learning, to the recognition of skills acquired through experience, and to mechanisms for guidance and advice.

Against this background, the objectives laid down for education and training systems cannot be achieved solely through policies centred on educational criteria. The relationship between these phenomena, employment issues and economic structures needs to be appreciated, and integrated policies need to be rigorously adopted, closely linking the development of human capital with measures to develop SMEs, convert industrial enterprises and tackle social exclusion. This is undoubtedly the direction in which the European Union should direct its structural policy interventions in the countries concerned, particularly using the European Social Fund.

Annex

Typology of candidate countries according to education and training issues ⁽⁴⁸⁾

(a) **Hungary and Slovenia**, where reform is furthest advanced, the level of expenditure on training for the labour market is closest to the European average, and enrolment rates in higher education are highest, in a context in which technical and vocational education still has a major place in secondary education. However, public spending on education and the level of continuing training for employees are still below the

EU average in Hungary, although higher in Slovenia. Furthermore, these two countries have been able to upgrade salaries and training for teachers substantially, and there have been significant initiatives in the area of lifelong learning in these countries.

(b) **The three Baltic States, Cyprus and Malta**, which have in common the fact that their level of investment in education ⁽⁴⁹⁾ is higher than the European average, in a context in which technical and vocational education has only a limited place in secondary education. Among them, reform is furthest advanced in Cyprus, Malta and Estonia; rates of enrolment in higher education have risen most in the Baltic States, as did student levels in mathematics and science between 1995 and 1999; continuing education and training are better developed than the average in these candidate countries, particularly in Cyprus, Latvia and Lithuania, and there are numerous initiatives in the field of lifelong learning.

(c) The **Czech Republic and Slovakia**, which have in common the fact that the proportions of the population with at least a CITE level 3 qualification are among the highest (the PISA results are also the best in the Czech Republic) in a context in which technical and vocational education is still very highly developed within secondary education. It is also in the Czech Republic that employees' participation in continuing training is highest. However, systemic reform of education and training has fallen behind, perhaps because the maintenance of industrial activity and the high level of direct foreign investment, especially in the Czech Republic, have had the effect of preserving the vocational education and training system. The rate of enrolment in higher education has risen only a little, for example. Furthermore, public spending on education and active labour market measures remains limited, although Slovakia has recently made a considerable effort to catch up in the area of training for the unemployed.

(d) **Poland**, where public investment in education is close to the European average and the rate of growth in enrolment in higher education has been one of the highest; many reforms have been introduced, but it has taken a long time for the principal players to reach a consensus. This has led to some delay in reform, which is hampered by a dire shortage of resources from the State and

⁽⁴⁸⁾ This table is taken from the report 'Thirteen years of cooperation and reforms in vocational education and training in the acceding and candidate countries. Addendum'.

⁽⁴⁹⁾ Measured in % of GDP.



enterprises in continuing education and training, particularly against the background of a serious economic crisis and extremely high unemployment. Nonetheless, there are numerous initiatives in the area of lifelong learning, although the resources available for training the unemployed have reached extremely low levels.

(e) **Romania and Bulgaria**, where results are lowest in almost all fields. The imple-

mentation of reform is seriously handicapped by lack of resources. Public spending on education is the lowest, as are rates of participation in continuing training. School dropout rates are very high. Enrolment in higher education has increased appreciably, but less than in most of the candidate countries. Despite ambitious reforms, major structural problems continue to make it hard to modernise systems and to adapt them to the needs of the labour market and society.

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